

Rural Telephone hands members good report card

By DICK BOYD

A crowd of shareholders present for the Annual Meeting of Rural Telephone Service Company on Friday in Victoria learned that their cooperative, one of the fastest growing Kansas businesses, continued doing well in 2003.

Net income increased by 67 percent from \$1,244,448 in 2002 to \$2,074,019.

The cooperative, which is headquartered in Lenora, has more than \$90 million in assets and a \$10 million annual payroll. Patronage refunds were paid for the 19th consecutive year and now total nearly \$22 million.

Larry Sevier, chief executive officer for the past 18 years of the cooperative's 51-year existence, gave a positive report to the shareholders, despite what he called a treacherous federal and state regulatory environment.

He pointed out that Rural Telephone receives its revenue from three sources — local service, long distance charges and the Universal Service Fund

With the decrease in population in Western Kansas, there are fewer local customers. Cellular phones are causing fewer minutes of long distance. In addition, less money is being returned by federal and state agencies through the Universal Service Fund.

With this financial squeeze, Rural had to either raise customers' phone rates or look elsewhere.

The board of directors decided to take other measures and founded its Nex-Tech subsidiary to provide de-regulated communication services.

"One-fourth of our customer losses are to wireless," said Sevier in his president's report.

"Over 50 percent of America's telephones are now wireless. There are 1.2 billion cell phones in the world today. This is one for every five people on the planet. In a recent survey of Americans, 50 percent indicated they would go completely wireless if cost and reliability issues were resolved.

"Several years ago, we could see this trend coming and that's precisely why we formed RTSC, which is now called Nex-Tech.

"We wanted to take advantage of the new deregulated world and the opportunities that it holds. We wanted to provide services to Western Kansas and help Western Kansas grow its economy."

Nex-Tech provides telephone services in 12 communities, long distance service in 70 plus communities, cable television in 24 communities, internet services in 70 plus communities and broadband internet in 58 communities.

"I have had members ask me why we are spending so much time, effort and money on the Nex-Tech side of the business," said Sevier.

"Well folks, you've seen part of the answer. We are losing a large part of the wireline business and we wanted to make sure we could sustain our business with other revenues. In 2003, Nex-Tech revenues almost reached the level of Rural Telephone's revenue



Larry Sevier, president and Chief Executive Officer of Rural Telephone Service Co. of Lenora, gave a very comprehensive and positive report to members during the cooperative's annual meeting on Friday in Victoria.

— Telegram photos by Dick Boyd

stream. This is amazing considering the short history of Nex-Tech.

"Rural Telephone/Nex-Tech is committed to making broadband high-speed technology available to as many homes as possible in Western Kansas to assist in stimulating an economic recovery.

"We have found that a single technology is not feasible to bring broadband to every home. Therefore, we have committed to use whatever technology is necessary, including fiber-fed digital loop carrier, fiber-to-the-premise and wireless.

"We recently entered into a partnership with Prairie Land Electric Cooperative to provide broadband service via satellite technology to the remainder of the homes in Western Kansas that we could not reach with other conventional means.

"This new broadband satellite service is called WildBlue and you will be hearing much more about it in the months ahead.

"Bringing these services to Western Kansas is expensive and we have many regulatory hurdles to overcome yet we must continue to invest for the future of the cooperative and our members. We must find a way to create jobs and keep our bright, young people at home.

"We are proud of what we have accomplished internally with an employee growth from 26 to over 250 at Rural Telephone and Nex-Tech but we cannot do it alone. That's why we have re-energized our Economic Development Department to work with the commu-

nities, providing grants and low interest loans, providing broadband opportunities to every citizen and business.

"We are so proud of what we have accomplished but we must never let up. We need the support of our members to keep the cooperative strong so we may continue our efforts to keep bright young minds in Western Kansas and bring young families back to Western Kansas where we have such a wonderful place to live." Sevier said that Rural Telephone and Nex-Tech now have 52 Fort Hays State University graduates working for them.

Frank Brungardt, Victoria, president of the cooperative, also spoke to the members.

"The telecommunications industry is rapidly changing and this has brought about many changes

in the way we conduct business," said Brungardt. "Since the passage of the Telecom Act in 1996, we are facing unprecedented competition. We no longer have the luxury of providing services that only meet the needs of our membership. We must find ways to bring in new revenue and we are doing just that.

"This past year, we have continued to move forward toward the goals we set each year at our strategic planning sessions. Our number one priority is to make Rural Telephone Service an efficient and progressive telephone cooperative, not only for our existing customers but for our new customers as well.

"We will continue to investigate new opportunities, new technologies and new services which will strengthen the cooperative. To do this, we need stability and a knowledgeable and dedicated work force.

"I am proud to say that our present CEO/General Manager Larry Sevier has 37 years of industry experience and has been with Rural Telephone for 18 years. He has assembled an executive management team that is the envy of most companies in the industry.

"We feel confident that this team can meet the many challenges we face today. We also have a very talented, knowledgeable and dedicated staff. I thank them for their continued efforts to further strengthen our presence in this very competitive age of telecommunications.

"Thanks to the board of trustees and, most of all, to you members for your support. It will take all of us to meet the challenges we face today."

Other members of the board of trustees are Glenn Lambert, Zurich, vice-president; Jim Harries, WaKeeney, secretary-treasurer; Phyllis Weller, Hill City, assistant secretary; Merlin Dennis, Kensington; Bob McCall, Woodston; Charley Minium, Morland; Jerry Patterson, Logan; and Doug Ziegler, Grainfield.

Mr. Lambert, Mr. Patterson and Mr. McCall were re-elected to three-year terms during the meeting.

Mr. Lambert represents the Damar, Palco and Zurich exchanges; Mr. Patterson's exchanges are Edmond, Logan, Prairie View, Long Island and Woodruff and Mr. McCall represents the Gaylord, Alton, Natoma and Woodston exchanges.

Brandon Nimz, WaKeeney, a senior at Trego Community High School, participated in the ninth



Frank Brungardt, Victoria, president of the board of trustees of Rural Telephone Service Co. of Lenora, was complimentary of Rural's general manager, management team, staff, board of trustees and members at the annual meeting of the cooperative on Friday in Victoria.

annual Foundation for Rural Service youth tour to Washington from May 31-June 4, 2003. He was sponsored by Rural Telephone.

During the meeting, he presented video highlights of the tour. "We toured historic sites, heard a FCC (Federal Communications Commission) representative talk on rural telecommunications, learned more about telecommunications in general, made some new friends and learned more about my country," said Brandon.

A number of employees received awards for length of service. The award for the longest service went to Rod Wallgren, Lenora, director of community development, for 35 years of employment. Tony Poore, Hill City,

economic development/networking manager, was honored for 30 years.

Door prizes were awarded and refreshments served to complete the meeting. Among the prize winners were LaDon Lappin, Logan, \$100 savings bond, Gorham State Bank; Ila Mays, Logan, \$100 savings bond, Sunflower Bank; Joan Wellbrock, Victoria, \$200 gift certificate, United Ag Service; Shawn Younger, Victoria, \$200 gift certificate, Smoky Hills Meat Processing; Dick Boyd, Norton, \$200 gift certificate, Smoky Hills Meat Processing; Dr. D.C. Phillips, WaKeeney, \$300 gift certificate, Victoria Lumber; Allan Guttery, Alton, \$500 gift certificate, Pfeifer; and Eileen Winholz, Victoria, \$500 gift certificate, Young Appliance.



B. Nimz

Concert set in McCook

The Prairie Statesmen, made up of 33 men from the southwest Nebraska and northwest Kansas, is preparing for its annual spring concert, "Sentimental Harmonies".

The concert will be held at 7:30 p.m., Saturday, at the McCook City Auditorium.

This year's concert features two

guest quartets, "The Chicago Shuffle" and "The Exchange". Local quartets, "Coon Creek Connection" and "Key of Gee" will also perform.

Local members include Phil Lesh, Roy Harshbarger, Michael Mascarenas, Clair Rumford and Ron Scheimo. Contact any of those men for tickets to the show.

Day of prayer planned here

The Norton County Ministerial Alliance is sponsoring the National Day of Prayer on Thursday, May 6.

This day has been set aside for people of every faith and denomination to be in prayer for this country and the world.

In conjunction with the day, the alliance is hosting a prayer breakfast from 7-9 a.m. at the Norton

County Senior Citizens Center. Pancakes, sausage, juice and coffee will be served. An offering will be accepted to offset the cost.

Prayer stations will be set up in the building to allow people an opportunity to pray alone or with others.

For more information call Kathy Aeillo, Almena United Methodist Church, 785-669-2236.

Wallace County
CRUISERS

1st Annual Car & Bike Show

April 30th & May 1st

Fri. Night 6 p.m.-?? Cruise & Dance at The Hide Away

Sat. 7-9 a.m. Show & Shine

Sat. 9-3 p.m. Car Show

Sat. 3-4 p.m. Awards & Cruising & Dancing @ The Hide Away

For the Kids Coloring Contest, Games & Awards for Pedal Cars, Bikes, etc.

RAFFLE Mac Tools, Jesse James tool chest & tool set

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For more info call: WCC 785-852-5250, 785-821-4018 or 785-852-4117

RV Parking & Motels available in Sharon Springs

Sponsored by the Wallace Co. Chamber of Commerce

AARP 55 Alive Safe Driving Class
Come to the AARP 5 Alive Safe Driving Class
10:00 a.m.-3:00 p.m.
Thursday, April 22 and Friday, April 23
Norton County Hospital Basement Classroom
COST \$10.00
Certificate of completion will allow a discount on your vehicle insurance for the next three years. To pre-enroll call Anise Gill 877-5170 or Rhonda Reusink 877-3313. Drop-ins Welcome ~ Refreshments
Sponsored by First Security Bank and Trust Company

Trade in your old cell phone

Do you have an old cell phone that you don't use anymore but aren't sure what to do with it?
Bring it in to Nex-Tech and receive \$25 off the purchase of any new cell phone with an upgrade from ALLTEL.

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